

December 31, 2006

Dear Friends:

Frustration and Hope. Those two words come to mind as I reflect on the disappointments and the accomplishments in our city in 2006. After starting the year with a budget shortfall we were unable to give salary increases to City employees. Our city has also faced a tremendous increase in crime, with murders almost reaching an all-time high. We ended the year with a scandal in which two of our members were indicted on charges of public corruption and bribery.

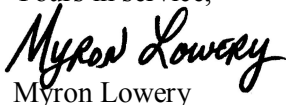
As always, I have hope for the future. After considerable belt tightening and budget cutting, our finances are in the black and two bond-rating agencies have recently upgraded their outlook on the city. I am confident our fiscal condition will continue to improve as we work to curb expenditures and place money in our reserve fund, which now stands at \$28 million.

Additionally, the Memphis economy has seen tremendous growth and good news. Service Master has announced plans to relocate its corporate headquarters to Memphis. This is the second Fortune 500 company to move to Memphis within the past eighteen months. In 2006, over \$1 billion has been invested in our local economy by 20 companies, creating over 2000 new jobs. The Council also adopted amendments to the current incentive program for businesses relocating to Memphis, enacted stronger guidelines and rules to mandate medical benefits for all employees and focused on inner city development and minority businesses. In addition, we have enacted a living wage requirement for all City of Memphis employees, both permanent and part-time, and for all contractors doing business with the City. We have made some hard decisions which will not only enhance our City's economic growth, but will also ensure companies in our city pay their employees fair wages.

Together we continue to tackle the problems our city faces. Just last month members of the Council, both Mayors, prosecutors, local law enforcement and community leaders held an all day symposium to discuss the drastic increase in crimes and how together we can curb this upward trend and ensure the safety of all our citizens. And last summer the voters approved the formation of a charter commission, which is methodically examining our City's charter and preparing recommendations that if adopted will improve our government and how it functions. Thank you for electing me as a member of the Memphis Charter Commission and please keep me informed on the changes you would like to see enacted.

Yes, we have many challenges ahead of us, but I continue to be hopeful that together we will succeed. We have a wonderfully beautiful city with a bright future. We must continue to be one of the top places to live, work and play in the United States.

Yours in service,

  
Myron Lowery